

WASHINGTON. D.C. – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) today expressed concern regarding the exclusion of good government provisions in the proposed Pelosi-Obey stimulus package including a failure to prohibit use of economic stimulus funds for lobbying or political activities.

“The economic stimulus should not be a bailout for lobbyists or a vehicle for political payback,” said Issa. “Fannie Mae and Freddie Mac spent more than \$170 million on lobbying, while groups like ACORN use taxpayer funds to advance a partisan agenda. Already, this Congress is prepared to repeat the failed policies that created the financial crisis and the mismanaged Wall Street bailout. More and more, this ‘stimulus’ is looking like a mad rush to expand government and steer billions of dollars to political supporters.”

Issa also expressed deep reservations regarding provisions in the stimulus waiving rules that would prevent waste, fraud, and abuse – including provisions that will expand housing funds available to organizations such as ACORN.

“According to the Congressional Budget, less than half of the Democrat stimulus will be spent in the next two years, yet Speaker Pelosi appears eager to use an economic crisis as a guise to fast-track funds for political allies such as ACORN and MoveOn.org” added Issa. “This failure to prohibit the use of funds for lobbying or political purposes is outrageous.”

Congressman Issa plans to offer an amendment to prevent the use of any stimulus funds for any lobbying or political activities.

The American Recovery and Reinvestment Act:

- Fails to include a prohibition on use of economic stimulus funds for lobbying or political activities (Sec. 1106, p.7). A Government Accountability Report (GAO) noted, “The most common form of appropriation act restriction prohibits the use of funds for ‘publicity or propaganda’ (*Principles of Federal Appropriations, Jan. 2004, p. 4-197*).” No such restriction exists in this Act.
- Creates a multi-billion dollar housing slush fund that allows the Secretary of Housing and Urban Development to waive rules on spending of funds. These provisions waive critical rules designed to prevent waste, fraud and abuse of taxpayer funds by organizations such as ACORN (Title XII p. 224-236).
- **ACORN** is a likely beneficiary of funds from the Neighborhood Stabilization Program and the Self-Help and Assisted Homeownership Opportunity Program (report language p. 73).
- The **WWF** received 13% of last year’s budget from government grants and contracts. It could benefit from money earmarked for “Science” from funds allocated to NASA (bill p. 60).
- **MoveOn.org’s civic action committee** could receive stimulus funds such as money earmarked for energy “activities” (bill p. 69). MoveOn.org lists one of its goals as to “reduce America’s dependence on oil.”
- The **Sierra Club** could take advantage of stimulus funds earmarked for “environmental health programs” (bill p.153).

